



# Hon. Robert T. Matsui

## Member of Congress

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*Robert T. Matsui*

Serving California's 5th District

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## **BUSH ADMINISTRATION PENSION PLAN FUNDAMENTALLY ALTERS U.S. TAX SYSTEM TO EXEMPT WEALTHY INVESTORS**

### *Plan shifts tax burden to middle-income families*

WASHINGTON, DC—Congressman Robert T. Matsui (D-CA) responded today to a sweeping reform of the nation's tax code included in the President's budget. The Bush Administration plans to consolidate several tax-privileged retirement programs and to create large new tax shelters that will primarily benefit the extremely wealthy who have large amounts of investment income. The effect is to remove a considerable amount of the progressive nature of the U.S. tax code, thereby shifting more of the burden of financing government onto lower and middle-income families. Congressman Matsui made the following statement:

"The President's pension plan is an outrageous attempt to create tax shelters for wealthy investors. The overall effect of this proposal is to shift more of the nation's tax burden onto lower and middle-income families. Those who have the luxury of living off of hefty savings and investment income will be largely exempt from taxes, leaving middle-income wage earners to shoulder the burden.

"The Bush pension plan has an insidious budgetary impact as well. It is designed to generate a slight revenue increase in the near term, but costs will explode in the long run. This is hardly congruent with the President's State of the Union rhetoric, which proclaimed that he would not leave the nation's bill to later generations. The President and Congressional Republicans should understand that the American people have longer memories than a single week."

"These are the wrong priorities for America. I and my Democratic Colleagues will continue to bring the facts about the President's reckless fiscal agenda to the American people, and we will work to set this country back on the right track."

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